



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0150	Title:	Revise USB laws
Primary Sponsor:	Windy Boy, Jonathan	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other	\$863,221	\$863,221	\$863,221	\$863,221
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$863,221	\$863,221	\$863,221	\$863,221
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 150 increases a public utility's minimum annual funding requirement for low-income energy and weatherization assistance from 17% to 50% of the public utility's annual electric universal system benefits (USB) level. If donated to the department, it would allow for weatherization of approximately 121 low-income homes.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. NorthWestern Energy is the only utility affected by this bill as Montana Dakota Utilities already exceeds the percentages for low-income weatherization and energy assistance as increased.
2. The utility company has discretion to direct USB funds to eligible activities. NorthWestern Energy currently provides 40.9% of electric USB funds for low-income activities. Passage of the bill will result in a 9.1% increase or \$863,221 based on the 2013 NorthWestern Energy Electrical Universal System Benefits Activities, 2009-2013 report.
3. Assuming these funds are donated to the state for weatherization, 121 additional homes would be weatherized. Weatherization with USB funds follows the US Department of Energy (DOE) rules and the DOE 2015 adjusted average expenditure per home weatherized is \$7,105.

4. Donated funds are received into a non-budgeted fund type and are shown as “other” in this fiscal note.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits/Claims	\$863,221	\$863,221	\$863,221	\$863,221
TOTAL Expenditures	\$863,221	\$863,221	\$863,221	\$863,221
<u>Funding of Expenditures:</u>				
Other	\$863,221	\$863,221	\$863,221	\$863,221
TOTAL Funding of Exp.	\$863,221	\$863,221	\$863,221	\$863,221
<u>Revenues:</u>				
Other	\$863,221	\$863,221	\$863,221	\$863,221
TOTAL Revenues	\$863,221	\$863,221	\$863,221	\$863,221
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Other	\$0	\$0	\$0	\$0

Technical Notes:

- The utility company has complete discretion on how they elect to use the funds. If the company chose to use the funds differently, less funding or no funding may be passed through to the state and the fiscal impact would be adjusted accordingly.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date